

FISCAL NOTE

SB 2859 - HB 2855

March 13, 2000

SUMMARY OF BILL: Eliminates the requirement that bonds issued for *multi-family housing facilities* or *multi-family residential units* be qualified 501(c)(3) bonds.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Net Impact - Not Significant/Permissive

Assumes affected local health, educational and housing facilities corporations choosing to issue additional bonds as a result of the broadening of the types of bonds they are authorized to issue will experience increased expenditures associated with paying the debt service and interest on such bonds. It is estimated that those expenditures will be offset by payments to the corporation from the developer of the multi-family housing facility to which the bond proceeds have gone to finance the project. The net impact to the corporation is estimated to be not significant.

For Informational Purposes: To the extent such corporation chooses to make application to the Tennessee Housing Development Authority for approval to issue tax exempt bonds it would increase pressure on THDA's allocation of the tax exempt volume cap authorized for the state by the federal government.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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